

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01
CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 (ISO) R

DRAFTED BY COM/BIEPR/OTP/TNAD/RSUPPE-BLANEY
APPROVED BY EB/OT/STA:TO'HERRON
COM/BIEPR/OTP/TNAD/DSCHLECHTY
COM/BDBD/OBI/WPENoyer
COM/BDBD/OPG/RNORDLIE
COM/BIEPR/OCA/DBUSINGER
STR/WBKELLY, JR.
STATE/TO'HERRON
TREASURY/JSCHOTT
LABOR/FLAVALLEE
AGRIC.:RHARPER

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FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY
INFO AMEMBASSY OTTAWA
AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 043353

USMTN FOR MTN GENEVA

E.O. 11652: GDS

TAGS: ETRD, GATT, MTN

SUBJECT: STANDARDS REQUESTS FOR UPCOMING BILATERAL
NEGOTIATIONS

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1. ALTHOUGH IT IS ANTICIPATED THAT MOST STANDARDS
COMPLAINTS RAISED BY U.S. ADVISORS WILL BE COVERED BY THE
PROVISIONS OF THE STANDARDS CODE AND HANDLED THROUGH THE
ENFORCEMENT MECHANISM OF THE CODE, A FEW SPECIFIC
COMPLAINTS ARE OF SUCH MAGNITUDE THAT THEY SHOULD BE
CONSIDERED FOR RESOLUTION IN THE MTN AND THEREFORE AS
TOPICS IN BILATERALS.

2. STANDARDS IN THIS CATEGORY DIFFER FROM THE MAJORITY OF THOSE CITED BY THE U.S. ADVISORS IN THAT THEY EFFECTIVELY BAR EXPORTATION OF A SPECIFIC PRODUCT TO A COUNTRY WHERE U.S. INDUSTRY BELIEVES IT COULD OTHERWISE HAVE A MAJOR MARKET. THE LIBERALIZATION OF TARIFF OR OTHER NON-TARIFF MEASURES IN COUNTRIES MAINTAINING THESE STANDARDS WILL NOT IMPROVE THE U.S. COMPETITIVE TRADE SITUATION WITH REGARD TO THE PRODUCT COVERED BY SUCH A STANDARD AND THEREFORE THE U.S. WILL NOT PAY FOR SUCH CONCESSIONS IN THE MTN IF THESE STANDARDS PROBLEMS ARE NOT RESOLVED.

3. THE U.S. DEL SHOULD CIRCULATE TO THE DELS OF THE

COUNTRIES CITED A WRITTEN NOTICE OF THESE MEASURES AND THE ACTION REQUESTED, WITH AN EXPLANATION THAT THE UNITED STATES INTENDS TO DISCUSS THESE MATTERS, AS WELL AS REQUESTS FORMALLY TABLED, IN THE BILATERALS. THE MEASURES ARE LISTED BELOW WITH THE PERTINENT INFORMATION.

4. PLYWOOD PROBLEM IN CANADA

A. THE ISAC THAT RAISED THE ISSUE IS 3.

B. PRODUCT DESCRIPTION--SOFTWOOD PLYWOOD.

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C. BTN--44.15.

D. (1) PROBLEM--REFUSAL TO ACCEPT PLYWOOD THAT DOES NOT CONFORM WITH NATIONAL BUILDING CODE OF CANADA. (2) ACTION REQUESTED--CANADIAN ACCEPTANCE OF PLYWOOD COMPLYING WITH ALL GRADES DESCRIBED IN THE U.S. PRODUCT STANDARD 1-74. (A COPY OF PRODUCT STANDARD 1-74 IS BEING HAND CARRIED TO GENEVA FOR THE USE OF THE MTN DEL.)

5. PLEASURE BOAT PROBLEMS IN JAPAN

A. THE ISAC THAT RAISED THE ISSUE IS 23.

B. PRODUCT DESCRIPTION--PLEASURE BOATS.

C. BTN--89.01.

D. (1) PROBLEM--THE REVISED SHIP SAFETY LAW REQUIRES INSPECTION BY JAPANESE SMALL CRAFT INSPECTION ORGANIZATION, WHICH REQUIRES EACH IMPORTED BOAT TO FACE INSPECTION WHILE JAPANESE MANUFACTURERS NEED SUBMIT ONLY ONE PROTOTYPE FOR MODEL APPROVAL. (2) ACTION REQUESTED--

END DISCRIMINATORY APPLICATION OF INSPECTION REQUIREMENT;
ACCEPT PROTOTYPE INSPECTION OF U.S. MANUFACTURED BOATS.

E. (1) PROBLEM--EXCESSIVELY DETAILED DESIGN STANDARDS IN
REVISED SHIP SAFETY LAW; VAGUE PERFORMANCE STANDARDS IN
THE SAME LAW SUBJECT TO VARYING INTERPRETATIONS. (2)
ACTION REQUESTED--REWRITE SHIP SAFETY LAW IN TERMS OF
PRECISE PERFORMANCE SPECIFICATIONS.

6. JAPAN ALSO MAINTAINS A NUMBER OF STANDARDS APPLICABLE
TO WOOD AND WOOD PRODUCTS THAT EFFECTIVELY EXCLUDE U.S.
EXPORTS OF LUMBER AND PLYWOOD TO JAPAN. JAPANESE
ACCEPTANCE OF U.S. GRADING STANDARDS ON SELECTED ITEMS IS
OF CRUCIAL IMPORTANCE TO THE UNITED STATES IF U.S.
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INDUSTRY IS TO BREAK INTO JAPANESE MARKET.

7. HOWEVER, THE U.S./JAPANESE FOREST PRODUCTS STUDY
GROUP, ESTABLISHED BY THE STRAUSS-USHIBA AGREEMENT, WILL
BE MEETING IN TOKYO THE FIRST WEEK OF MARCH. IT IS
EXPECTED THAT THE GROUP WILL DISCUSS THE STANDARDS
PROBLEMS IN JAPAN OF THE U.S. LUMBER AND PLYWOOD
INDUSTRIES IN DETAIL AT THAT TIME.

8. THEREFORE, MTN DEL SHOULD NOT CIRCULATE INFORMATION ON
THESE STANDARDS TO THE JAPANESE AT THIS TIME. THOSE
STANDARDS, WHICH ARE EXPECTED TO BE COVERED BY THE FOREST
PRODUCTS STUDY GROUP MEETING IN TOKYO ARE OMITTED FROM
THE ABOVE LIST FOR THE TIME BEING BUT ARE LISTED BELOW
FOR THE INFORMATION OF THE MTN DEL.

9. PLYWOOD PROBLEMS IN JAPAN.

A. THE ISAC THAT RAISED THE ISSUE IS 3.

B. PRODUCT DESCRIPTION--SOFTWOOD PLYWOOD.

C. BTN--44.15.

D. (1) PROBLEM--JAS (JAPANESE AGRICULTURE AND FOREST
STANDARDS) CONSTRUCTION STANDARDS FOR FRAME TYPES
EXCLUDES USE OF SOFTWOOD PLYWOOD INCLUDING D GRADE
VENEERS AS DEFINED IN PRODUCT STANDARD 1-74. (2)
ACTION REQUESTED--JAPANESE ACCEPTANCE OF PLYWOOD
COMPLYING WITH ALL GRADES DESCRIBED IN U.S. PRODUCT
STANDARD 1-74.

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E. (1) PROBLEM--JAS REQUIREMENTS FOR VENEER THICKNESS AND NUMBER OF VENEERS PER PANEL EXCLUDE 3 PLY HALF-INCH PLYWOOD. (2) ACTION REQUESTED--JAPANESE ACCEPTANCE OF PLYWOOD COMPLYING WITH ALL GRADES DESCRIBED IN U.S. PRODUCT STANDARD 1-74.

10. LUMBER PROBLEM IN JAPAN

A. THE ISAC THAT RAISED THE ISSUE IS 3.

B. PRODUCT DESCRIPTION--SAWN LUMBER, SURFACED, SOFTWOOD.

C. BTN--44.13.

D. (1) PROBLEM--JAS GRADING RULES FOR SOFTWOOD DIMENSION

LUMBER ARE SIMILAR TO, BUT NOT IDENTICAL TO, U.S. RULES. THE DIFFERENCES CAUSE DOWNGRADING OF AS MUCH AS 30 PERCENT FOR MATERIAL ACCEPTABLE IN THE U.S. THE DOWNGRADED MATERIAL IS REFUSED. SPECIFIC PROBLEM AREAS INCLUDE SOME JAPANESE GRADE PROVISIONS FOR WANE NARROW-FACE KNOTS, AND WHITE SPECK. (2) ACTION REQUESTED--MODIFY JAS RULES TO ALLOW SAME GRADE DESCRIPTIONS AS U.S. NATIONAL GRADING RULE FOR DIMENSION LUMBER PROVIDED FOR IN U.S. PRODUCT STANDARD PS 20-70.

11. IN THE BILATERALS WITH JAPAN ON FEBRUARY 22 AND 23, THE U.S. DEL SHOULD NOTE THAT NONTARIFF MEASURES OF INTEREST TO THE U.S. FOREST PRODUCTS PRODUCERS WILL BE RAISED AT THE MARCH MEETING IN TOKYO.

12. FOLLOWING THE MARCH MEETING IN JAPAN WE WILL EVALUATE THE PROGRESS OF THE FOREST PRODUCTS STUDY GROUP TO DETERMINE WHETHER IT WOULD BE APPROPRIATE TO ADD THE U.S. COMPLAINTS ON JAPANESE FOREST PRODUCTS STANDARDS TO THE U.S. LIST FOR BILATERALS WITH JAPAN IN THE MTN.

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13. IN ADDITION, OTHER STANDARDS COMPLAINTS MAY BE ADDED TO THE TOTAL MTN LIST IF AND WHEN NEW INFORMATION INDICATES IT WOULD BE APPROPRIATE TO DO SO. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STANDARDS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE043353
Document Source: CORE
Document Unique ID: 00
Drafter: BLANEY
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780075-1110
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1978/newtext/t19780237/aaaabevz.tel
Line Count: 221
Litigation Code IDs:
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Litigation History:
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Office: ORIGIN COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3546897
Secure: OPEN
Status: NATIVE
Subject: STANDARDS REQUESTS FOR UPCOMING BILATERAL NEGOTIATIONS CONFIDENTIAL
TAGS: ETRD, GATT, MTN
To: GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/6be307d4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014